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6
7 BEFORE THE
BOARD OF ACCOUNTANCY
8 DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA
9

10 In the Matter of the Accusation) NO. AC-95-33
Against:)
11)
JOHN L. RIDER) ACCUSATION
12 2121 Valderas Drive #29) STIPULATION FOR
Glendale, CA 91208) SETTLEMENT AND DECISION
13) OF THE BOARD OF
Certified Public Accountant) ACCOUNTANCY
ms 14 Certificate No. CPA 7150)
15 Respondent.)
16

17 ACCUSATION

18 PARTIES

19 1. Complainant, Carol Sigmann, is the Executive Officer
20 of the California State Board of Accountancy (hereinafter the
21 "board") and brings this accusation solely in her official
22 capacity.
23 2. On or about March 27, 1958, Certified Public
24 Accountant Certificate No. CPA7150 was issued by the board to JOHN
25 L. RIDER (hereinafter "respondent"), and thereafter said license
26 has been in full force and effect, except that it expired on April
27 1, 1995 and was placed in a retired status.

1 STATUTES AND PROFESSIONAL STANDARDS

2 3. Section 5100 of the California Business and
3 Professions Code (hereinafter "Code") provides in pertinent part,
4 that after notice and hearing the board may revoke, suspend or
5 refuse to renew any permit or certificate of a Certified Public
6 Accountant (CPA) or Public Accountant (PA) for unprofessional
7 conduct which includes, but is not limited to, one or any
8 combination of the following:

9 (c) Dishonesty, fraud, or gross negligence in the
10 practice of public accountancy or in the performance of the
11 bookkeeping operations.

12 (d) Willful violation of any provision of the
13 Accountancy Act or Board Rule.

14 (g) Suspension or revocation of the right to
15 practice before any governmental body or agency.

16 4. Board Rule 65 (Title 16, California Code of
17 Regulation) provides that a licensee or a firm of which the
18 licensee is a partner or shareholder shall not express an opinion
19 on or issue a report on review services with respect to financial
20 statements of an enterprise unless the licensee and the licensee's
21 firm are independent with respect to such enterprise.

22 5. Securities and Exchange Commission (SEC) Rule 2-01
23 (b) of Regulation S-X (17 C.F.R. § 210.2-01(b)) provides that the
24 SEC shall not recognize any certified public accountant or public
25 accountant as independent who is not in fact independent.

1 Rule 2(e), permanently barring respondent from appearing or
2 practicing before it.

3 WHEREFORE, the complainant requests that a hearing
4 be held on the matters herein alleged, and that following said
5 hearing, the Board issue a decision:

6 1. Revoking certified public accountant certificate
7 Number CPA7150, heretofore issued to respondent John L. Rider;

8 2. Taking such other and further action as the Board
9 deems proper.

10
11 DATED: *March 23, 1996*

Carol Sigmann
CAROL SIGMANN
Executive Officer
Board of Accountancy
Department of Consumer Affairs
State of California

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14 Complainant
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STIPULATION FOR SETTLEMENT

10. This Stipulation for Settlement of the Accusation, (the Accusation is hereby incorporated by reference), is made between Complainant Carol Sigmann, Executive Officer of the Board, by and through her attorneys Daniel E. Lungren, Attorney General of the State of California, by and through Michael R. Granen, Deputy Attorney General and respondent by and through his attorney Gerald McNally, Jr.

11. The Board has jurisdiction in this matter by reason of the Accusation, which respondent understands will be signed and filed concurrently with the Board's adoption of the stipulation. Respondent waives service of the Accusation. If the Board does not adopt the stipulation, the form, content and filing of any accusation against respondent shall be within the discretion of the complainant and will be served on respondent according to law.

12. Respondent neither admits nor denies the allegations of the accusation, however, for purposes of enforcement of the provisions of this stipulation, and in the event respondent ever applies for reinstatement or relicensure, the allegations in the accusation shall be deemed true and uncontestable by respondent.

13. Respondent represents that he is past normal retirement age, not currently practicing public accountancy and has no plans to practice public accountancy in the future.

14. Respondent understands that by surrendering his license he will no longer be a certified public accountant and that he can not refer to himself as a certified public accountant or "CPA" and that he can not practice public accountancy in this

1 state.

2 15. Respondent understands and has been advised by his
3 attorney that by signing this Stipulation he is waiving his right
4 to contest this matter as set forth in more detail in the paragraph
5 below titled "WAIVER", including but not limited to his right to a
6 hearing on the matters charged in the Accusation.

7 16. This Stipulation is subject to adoption by the
8 Board. If it is not adopted as the Decision of the Board it shall
9 have no force or effect except that respondent is bound by the non
10 disqualification provisions of this paragraph. It is understood by
11 respondent that in deciding whether to adopt this stipulation, the
12 Board may receive oral and written presentations or advice from,
13 and make inquiries of, complainant, her attorneys, the Board's
14 attorneys, enforcement staff, consulting experts, members of the
15 Board or its committees, witnesses or others who may have
16 information which may relate in any way to this matter or to Board
17 policy or procedure. This shall not be cause for disqualification
18 of the Board, any of its members, or any other person from further
19 participation in this or any other matter affecting respondent.

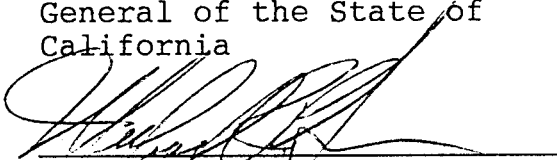
20 17. Failure of respondent to comply with the terms of
21 the stipulation or the discipline imposed below shall be cause for
22 the Board to withdraw the penalty of license surrender and
23 substitute the penalty of license revocation and to recover the
24 costs of this proceeding to date and any further proceeding
25 resulting from respondents failure to comply. This is in addition
26 to any other actions or remedies which the Board may elect to
27 pursue.

DISCIPLINE

18. Certified Public Accountant certificate No. CPA 7150 is surrendered and cancelled. Respondent shall return his wall certificate to the Board within 10 days of the effective date of this decision.

DATED: 2/8/96.

DANIEL E. LUNGREN, Attorney
General of the State of
California


MICHAEL R. GRANEN
Deputy Attorney General

Attorney for Complainant

DATED: 2-6-96.

The Law Offices of
GERALD MCNALLY

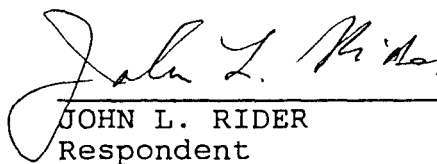

GERALD MCNALLY, JR.

Attorney for Respondent

1 WAIVER

2 I have read and understand the Accusation and Stipulation
3 and I agree to the terms of Stipulation. I understand that I am
4 waiving certain rights accorded to me by the Administrative
5 Procedure Act (Government Code section 11500 et seq.) including the
6 right to a hearing on the charges and allegations in the
7 Accusation, the right to confront and cross examine witnesses who
8 would testify against me, the right to present evidence in my favor
9 and call witnesses on my behalf, to testify myself, to contest the
10 charges and allegations, the right to petition for reconsideration
11 of the Board's decision and the right to seek review of that
12 decision by the courts. I understand in signing this Stipulation
13 rather than contesting the Accusation, I am enabling the Board to
14 issue an order imposing upon me the discipline recited herein
15 without further process or proceeding. I knowingly and
16 intelligently waive all of the above rights and any other rights
17 which may be accorded to me by the Administrative Procedure Act of
18 other laws.

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20 DATED: 2/3/96.



JOHN L. RIDER
Respondent

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DECISION OF THE BOARD OF ACCOUNTANCY

The forgoing Stipulation is hereby adopted as the Decision of the Board. This decision shall be effective in 30 days unless another effective date is set forth below.

Dated this 4th day of April, 1996.



Board of Accountancy

Effective Date: May 4, 1996.

RIDER.ACC